

## Size Distribution of Income in 1962

**T**HE personal income of families and unattached individuals totaled \$419 billion<sup>1</sup> in 1962, up \$23 billion from 1961. This rise compares with increases of \$14 and \$16 billion in the 2 previous years.

Average income per consumer unit was \$7,140, as compared with \$6,920 for 1961. The modal or most frequent amount in 1962 was \$4,720, while the median income—the amount that divided families and unattached individuals into two equal groups—was \$5,840.

The consumer units receiving this income consisted of the 47 million families of two or more persons related by blood, marriage, adoption, and of 11½ million individuals not attached to families.

In 1962, an estimated 10.9 million units had incomes above \$10,000. This

represented a rise of 1 million over 1961 for the comparable group. This group constituted 19 percent of all consumer units in 1962 compared with 17 percent in 1961. With the upward shift of units along the income scale increases were also registered by the intermediate groups having incomes of \$6,000–\$10,000. These were estimated to contain 17.5 million families and unattached individuals, a rise of 0.8 million over the previous year. Since the number of new entrants into this group is partly offset by the number of those leaving it for higher income classes, the proportion of units—29 percent—is identical with that shown in 1961.

### Rise in real income

When the increase in personal income is corrected for price changes, average real income is found to have risen 2 percent above the 1961 level—an increase of \$160 in real purchasing power.

Increases in average family incomes have occurred in most years of rising total income. In terms of 1962 dollars, consumer units in 1929 had average incomes of \$4,250. By 1947, this average had risen to \$5,450, showing an annual growth rate of real income of 1.4 percent for the period. For the entire period 1929–62 the average rate of growth was 1.6 percent. The rate for the postwar period alone was 1.8 percent with a slight decline in the most recent period.

### Transfers and property incomes lead the rise

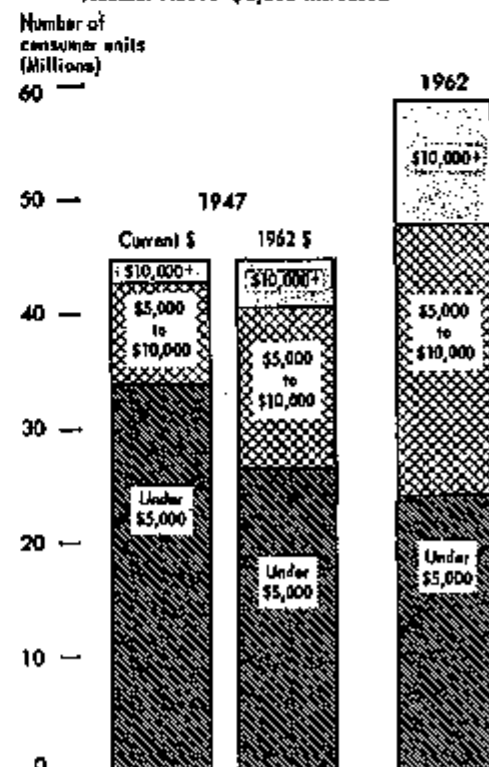
Family income is the sum of the incomes received by all family members from all sources. It includes wages and salaries net of social security taxes,

earnings from self-employment, dividends, interest, rent, and transfer payments. In addition to these usual cash receipts, it also includes imputed items such as food and fuel raised and consumed on the farm and the net rent of owner-occupied dwellings.

The accompanying table and chart show how average family personal income is allocated among the various types of income receipts. These averages were obtained by dividing the total income of each type by the total number of families and unattached individuals and do not indicate, therefore, average amounts received by units primarily dependent upon specific sources.

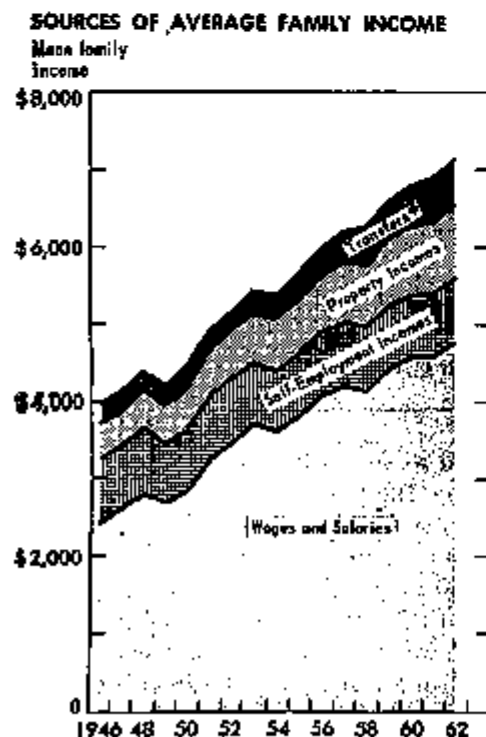
### SHIFT OF CONSUMER UNITS INTO HIGHER INCOME CLASSES SINCE 1947

In Both Current and Constant Dollars the Number Above \$5,000 Increased



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62-4-6



\* Transfers are composed of Government pensions, unemployment and injury compensation, veterans' benefits, assistance, and miscellaneous.

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62-4-7

<sup>1</sup> Aggregate family personal income excludes incomes received by nonprofit institutions and certain military personnel and therefore differs from the total of personal income reported in the preceding article.

Table 1.—Average Family Personal Income Before and After Federal Individual Income Tax Liability and Average Annual Earnings Per Full-Time Employee

	Number of families and unattached individuals (millions)	Average (mean) personal income per family and unattached individuals				Average (mean) annual earnings per full-time employee (in current dollars)
		Before tax		After tax		
		In current dollars	In 1962 dollars	In current dollars	In 1962 dollars	
1929.....	38.1	\$2,940	\$4,250	\$2,820	\$4,220	\$1,406
1937.....	44.7	4,130	5,460	3,720	4,010	2,389
1948.....	45.3	4,390	5,450	4,010	4,010	2,795
1959.....	47.8	4,170	5,250	3,880	4,070	2,851
1960.....	48.0	4,440	5,520	4,070	4,080	3,008
1961.....	48.5	4,500	5,720	4,120	4,150	3,231
1962.....	49.2	4,120	5,560	4,970	5,220	3,414
1963.....	50.5	5,290	6,000	4,810	5,480	3,587
1964.....	51.2	4,260	5,090	4,810	5,480	3,070
1965.....	52.2	4,090	5,280	5,060	5,070	3,847
1966.....	52.8	4,010	5,580	5,400	5,920	4,035
1967.....	53.6	4,240	5,060	4,810	5,070	4,206
1968.....	54.6	4,230	5,000	5,070	5,920	4,540
1969.....	55.3	4,020	5,810	5,940	6,120	4,566
1970.....	56.1	4,310	5,950	6,120	6,230	4,707
1971.....	57.3	4,030	5,960	6,210	6,270	4,843
1972.....	58.6	7,140	7,140	6,400	6,400	5,024

1. The price indexes used as deflators are those employed in deflating the personal consumption expenditure series in the national income accounts.

2. Includes Alaska and Hawaii.

Table 2.—Distribution of Consumer Units and Their Income by Family Income Level

Family personal income (before income taxes)	Number of families and unattached individuals (millions)										Aggregate family personal income (billions of dollars)									
	1947	1955	1960	1967	1968	1969	1970	1971	1972	1973	1947	1955	1960	1967	1968	1969	1970	1971	1972	1973
	1947	1955	1960	1967	1968	1969	1970	1971	1972	1973	1947	1955	1960	1967	1968	1969	1970	1971	1972	1973
Under \$2,000.....	11.1	8.2	7.7	7.0	7.7	7.4	7.9	7.2	7.1	13.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
\$2,000-\$3,999.....	11.1	13.9	13.9	11.9	12.1	11.4	11.1	11.1	10.0	11.2	40.7	37.4	37.4	37.4	37.4	37.4	37.4	37.4	37.4	37.4
\$4,000-\$5,999.....	9.2	13.0	13.0	13.0	13.0	12.4	12.2	12.4	12.2	12.4	47.7	67.6	67.6	67.6	67.6	67.6	67.6	67.6	67.6	67.6
\$6,000-\$9,999.....	2.6	8.8	8.8	9.3	8.4	9.0	10.2	10.0	10.0	10.0	23.0	58.9	58.9	58.9	58.9	58.9	58.9	58.9	58.9	58.9
\$10,000-\$14,999.....	1.4	3.7	4.5	5.0	5.1	5.7	6.0	6.0	6.7	13.3	32.5	39.7	44.3	44.3	44.3	44.3	44.3	44.3	44.3	44.3
\$15,000-\$19,999.....	1.2	3.1	3.8	4.3	4.7	5.3	5.9	6.3	6.9	14.8	36.9	45.6	51.0	51.0	51.0	51.0	51.0	51.0	51.0	51.0
\$20,000 and over.....	8.1	1.8	2.2	2.5	2.6	3.1	3.5	3.7	4.0	22.1	48.9	57.3	64.7	64.7	64.7	64.7	64.7	64.7	64.7	64.7
Total.....	44.7	63.2	62.8	63.6	64.6	66.1	67.3	67.3	68.4	184.0	284.2	317.4	334.0	334.0	334.0	334.0	334.0	334.0	334.0	334.0
Percent distribution																				
Under \$2,000.....	25	13	15	14	14	13	13	13	12	7	3	3	3	3	3	3	3	3	3	3
\$2,000-\$3,999.....	25	22	22	22	22	21	20	19	19	28	14	12	11	11	11	11	11	11	11	11
\$4,000-\$5,999.....	20	20	20	21	21	22	22	22	21	24	23	21	20	19	19	19	19	19	19	19
\$6,000-\$9,999.....	5	17	17	18	17	18	18	18	18	14	20	19	19	19	19	19	19	19	19	19
\$10,000-\$14,999.....	3	7	8	9	8	10	11	11	11	7	11	13	13	13	13	13	13	13	13	13
\$15,000-\$19,999.....	2	4	4	5	5	6	6	6	7	8	12	14	14	14	14	14	14	14	14	14
\$20,000 and over.....	2	4	4	5	5	6	6	6	7	12	17	19	19	19	19	19	19	19	19	19
Total.....	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

1. Includes Alaska and Hawaii.

Table 3.—Distribution of Consumer Units by Real Income Level

Family personal income in 1962 dollars (before income taxes)	Number of families and unattached individuals (millions)							Percent distribution									
	1929	1941	1947	1959	1960	1961	1962	1929	1941	1947	1959	1960	1961	1962	1963	1964	1965
	1929	1941	1947	1959	1960	1961	1962	1929	1941	1947	1959	1960	1961	1962	1963	1964	1965
Under \$2,000.....	11.2	11.4	7.2	7.3	7.1	7.1	7.1	31	27	16	11	13	13	13	13	13	13
\$2,000-\$3,999.....	11.2	11.4	12.0	12.0	11.0	11.0	11.0	38	28	28	20	20	20	20	20	20	20
\$4,000-\$5,999.....	9.2	9.2	11.7	11.9	12.0	12.0	12.0	15	22	24	22	22	22	22	22	22	22
\$6,000-\$9,999.....	2.4	4.8	5.0	5.1	5.2	5.2	5.2	7	12	14	18	18	18	18	18	18	18
\$10,000-\$14,999.....	1.1	2.8	3.1	3.0	3.1	3.1	3.1	3	4	7	11	11	11	11	11	11	11
\$15,000-\$19,999.....	1.0	2.4	3.0	3.4	3.4	3.4	3.4	6	9	10	10	10	10	10	10	10	10
\$20,000 and over.....	1.0	2.4	3.0	3.4	3.4	3.4	3.4	6	9	10	10	10	10	10	10	10	10
Total.....	26.1	41.4	44.7	55.3	56.1	57.3	58.6	100	100	100	100	100	100	100	100	100	100

1. Includes Alaska and Hawaii.

Table 4.—Distribution of Consumer Units and Their Family Personal Income by Family Personal Income Level, Selected Years

Family personal income (before income taxes)	Number of families and unattached individuals (thousands)											Aggregate family personal income (billions of dollars)										
	1944	1946	1947	1950	1953	1956	1957	1958	1959	1960	1961	1964	1966	1967	1968	1969	1970	1971	1972	1973		
Under \$1,000.....	4,352	3,828	3,748	3,801	3,841	3,713	3,713	3,713	3,713	3,713	3,713	2,300	2,017	1,972	1,943	1,943	1,943	1,943	1,943	1,943		
\$1,000-\$1,999.....	3,108	2,700	2,770	2,744	2,744	2,744	2,744	2,744	2,744	2,744	2,744	11,231	11,231	11,231	11,231	11,231	11,231	11,231	11,231	11,231		
\$2,000-\$2,999.....	3,703	3,791	3,850	3,850	3,850	3,850	3,850	3,850	3,850	3,850	3,850	21,038	21,038	21,038	21,038	21,038	21,038	21,038	21,038	21,038		
\$3,000-\$3,999.....	7,223	8,800	8,828	8,828	8,828	8,828	8,828	8,828	8,828	8,828	8,828	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000		
\$4,000-\$4,999.....	4,435	5,304	5,725	7,054	7,329	7,401	7,401	7,401	7,401	7,401	7,401	20,301	20,301	20,301	20,301	20,301	20,301	20,301	20,301	20,301		
\$5,000-\$5,999.....	2,515	3,005	3,474	4,594	6,321	6,241	6,241	6,241	6,241	6,241	6,241	14,790	10,725	10,725	10,725	10,725	10,725	10,725	10,725	10,725		
\$6,000-\$6,999.....	2,559	2,547	2,151	3,636	6,823	7,202	7,202	7,202	7,202	7,202	7,202	14,812	10,812	10,812	10,812	10,812	10,812	10,812	10,812	10,812		
\$7,000-\$7,999.....	1,388	1,751	2,170	2,768	6,203	6,215	6,215	6,215	6,215	6,215	6,215	11,522	14,085	14,085	14,085	14,085	14,085	14,085	14,085	14,085		
\$8,000-\$8,999.....	707	1,070	1,190	1,530	3,000	3,284	3,284	3,284	3,284	3,284	3,284	8,483	12,784	14,300	18,310	20,915	20,915	20,915	20,915	20,915		
\$9,000-\$9,999.....	240	329	384	444	853	1,112	1,289	1,472	1,738	1,946	2,160	4,216	5,082	5,680	7,083	15,128	10,081	22,117	23,515	20,030		
\$10,000-\$10,999.....	108	143	167	218	378	492	492	492	492	492	492	2,306	3,155	3,700	4,820	5,382	5,011	11,009	11,511	13,300		
\$11,000-\$11,999.....	140	100	206	204	420	512	584	577	584	584	584	4,051	6,390	6,370	6,370	6,370	6,370	6,370	6,370	6,370		
\$12,000 and over.....	40	64	43	84	110	135	147	150	150	150	150	3,007	4,537	4,002	7,000	10,213	11,640	12,638	12,715	14,939		
Total.....	40,398	43,430	44,748	48,290	52,170	52,860	53,654	54,420	55,300	56,066	57,790	147,721	178,740	181,598	217,282	234,235	247,448	254,617	243,257	265,795		
Average (mean) family personal income.....												\$3,014	\$3,540	\$4,120	\$4,444	\$5,616	\$6,007	\$6,236	\$6,284	\$6,612		
Percent distribution																						
Under \$1,000.....	10.7	8.8	8.4	7.9	10.8	14.0	14.2	14.1	13.0	12.6	12.6	1.6	1.2	1.1	0.9	3.3	2.7	2.6	2.6	2.1		
\$1,000-\$1,999.....	18.6	17.0	16.6	16.3	11.3	10.2	10.0	10.1	9.0	9.2	9.0	8.4	6.8	6.1	5.2	11.5	9.3	8.3	4.0	3.4		
\$2,000-\$2,999.....	21.4	20.3	18.0	14.0	11.3	10.2	10.0	10.1	9.0	9.2	9.0	14.0	12.9	11.5	9.3	8.3	4.3	4.0	4.0	3.4		
\$3,000-\$3,999.....	18.0	18.8	18.3	17.0	14.2	12.9	12.1	12.1	10.6	10.4	10.4	18.3	17.5	16.3	13.8	8.8	7.0	6.8	6.8	5.5		
\$4,000-\$4,999.....	11.1	12.4	12.8	14.4	14.0	14.0	12.7	12.5	11.4	11.0	11.0	13.7	14.8	13.8	14.4	11.2	10.5	9.1	8.6	7.3		
\$5,000-\$5,999.....	6.2	7.1	7.6	9.0	12.1	11.6	11.3	11.4	10.0	9.7	9.7	12.9	9.8	10.2	11.8	11.8	10.8	10.0	9.1	8.6		
\$6,000-\$6,999.....	5.6	5.0	4.0	7.0	13.3	13.0	14.1	13.9	14.1	14.2	14.4	10.1	9.9	11.3	11.8	13.8	13.2	13.1	14.0	14.1		
\$7,000-\$7,999.....	3.4	4.0	4.8	6.0	10.0	11.0	12.6	13.6	13.6	14.7	14.7	8.0	8.7	10.0	10.8	16.1	16.3	17.4	17.2	18.1		
\$8,000-\$8,999.....	1.7	2.5	2.7	3.1	5.0	7.2	8.0	8.6	9.0	10.6	11.0	4.7	7.6	7.7	8.4	13.4	14.4	15.4	16.3	17.9		
\$9,000-\$9,999.....	0.8	0.9	0.9	0.9	1.7	2.1	2.4	2.5	3.1	3.5	3.5	2.0	3.3	3.0	3.3	4.1	4.0	4.6	4.9	5.7		
\$10,000-\$10,999.....	0.2	0.3	0.4	0.4	0.7	0.8	0.9	0.9	1.1	1.2	1.2	0.8	1.0	1.0	0.9	2.2	2.0	2.3	2.4	2.9		
\$11,000-\$11,999.....	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1		
\$12,000 and over.....	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1		
Total.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0		

Table 5.—Sources of Average Family Personal Income (Before Income Taxes), 1947-62<sup>1</sup>

Year	Wages and salaries	Self-employment incomes	Property incomes	Transfer payments
1947	\$2,632	\$700	\$480	\$261
1948	2,603	685	484	242
1949	2,695	742	516	258
1950	2,848	760	561	268
1951	3,240	833	682	283
1952	3,474	834	603	280
1953	3,717	796	630	283
1954	3,630	725	660	321
1955	3,533	798	701	358
1956	3,694	814	720	360
1957	4,220	814	783	410
1958	4,188	828	800	483
1959	4,441	826	850	493
1960	4,501	808	898	517
1961	4,619	815	920	572
1962	4,771	830	951	579

1. Prior to 1955 the sum of these sources will not round to the average income shown in table 1. The above average sources are based on the revised personal income series published in U.S. Income and Output, whereas the averages in table 1 are those that accord with the previously published distributions.

2. Includes Alaska and Hawaii.

Table 6.—Distribution of Families and Their Family Personal Income by Family Personal Income Level, 1955-61

Family personal income (before income taxes)	Number of families (thousands)							Aggregate family personal income (millions of dollars)						
	1955	1956	1957	1958	1959	1960	1961	1955	1956	1957	1958	1959	1960	1961
Under \$2,000	3,949	3,004	3,073	3,511	3,502	3,379	3,222	4,590	4,560	4,379	4,281	4,294	4,103	3,934
\$2,000-\$2,999	3,808	3,245	3,279	3,339	3,178	3,093	3,028	6,630	6,486	6,301	6,444	6,020	7,709	7,624
\$3,000-\$3,999	3,862	3,278	3,309	3,911	4,400	4,170	4,130	20,703	18,847	17,185	17,219	15,600	15,675	14,951
\$4,000-\$4,999	4,501	4,330	4,327	5,733	5,173	4,943	4,904	29,600	25,481	25,276	25,822	23,836	22,279	22,364
\$5,000-\$5,999	5,943	5,798	5,600	5,937	5,390	5,313	5,288	32,600	31,745	31,040	30,928	29,073	28,216	28,460
\$6,000-\$6,999	5,704	5,838	5,228	7,228	7,392	7,490	7,074	44,883	46,383	46,327	48,419	40,947	40,387	41,621
\$7,000-\$9,999	5,005	5,864	5,886	5,084	7,493	7,801	8,134	43,202	51,116	50,801	57,274	44,305	67,031	68,883
\$10,000-\$14,999	3,002	3,714	4,217	4,802	5,170	5,911	6,117	38,130	44,720	50,761	64,685	61,712	60,470	73,128
\$15,000-\$19,999	884	1,080	1,284	1,344	1,707	1,912	2,012	14,803	18,696	21,070	23,031	26,102	32,648	34,789
\$20,000-\$24,999	267	421	483	400	577	638	651	3,140	5,388	10,744	11,231	12,909	14,140	14,789
\$25,000-\$49,999	430	405	644	555	613	699	7,777	14,586	18,851	15,273	18,434	20,265	21,933	24,789
\$50,000 and over	118	128	140	145	173	183	183	8,080	10,851	11,963	14,073	14,323	12,706	12,706
Total	43,270	43,350	43,278	44,128	44,780	45,379	46,130	248,939	298,436	306,335	311,727	332,942	347,537	358,433
Average (mean) family personal income								\$5,503	\$6,796	\$6,862	\$7,065	\$7,435	\$7,660	\$7,792

Percent distribution														
Under \$2,000	9.3	6.9	7.1	7.9	7.8	7.4	7.0	1.8	1.6	1.5	1.4	1.3	1.2	1.1
\$2,000-\$2,999	8.8	7.5	7.6	7.6	7.1	6.8	6.6	2.7	2.9	2.7	2.7	2.4	2.2	2.1
\$3,000-\$3,999	8.9	7.6	7.7	8.8	9.2	9.0	9.0	7.7	7.4	6.6	6.6	5.8	4.7	4.6
\$4,000-\$4,999	10.4	10.2	10.0	13.0	11.6	10.9	10.7	11.0	15.1	16.1	18.0	13.8	19.4	19.4
\$5,000-\$5,999	13.6	13.4	12.9	13.4	12.0	11.7	11.6	12.1	10.9	10.2	9.9	8.9	8.4	8.3
\$6,000-\$6,999	13.2	13.5	12.3	16.4	16.4	16.5	16.6	18.7	18.0	18.8	18.5	14.9	14.3	14.4
\$7,000-\$9,999	11.6	13.7	13.6	11.5	16.7	17.2	17.6	18.1	17.6	18.6	18.4	19.3	18.3	19.4
\$10,000-\$14,999	7.0	8.6	9.7	10.3	11.6	12.8	13.2	15.5	15.4	16.9	17.5	18.5	20.6	20.6
\$15,000-\$19,999	2.0	2.5	2.9	3.0	3.8	4.3	4.3	5.8	6.4	7.1	7.4	8.7	9.4	9.4
\$20,000-\$24,999	.8	1.0	1.1	1.2	1.3	1.4	1.4	3.0	5.2	8.4	2.6	3.9	4.1	4.1
\$25,000-\$49,999	1.0	1.1	1.5	1.2	1.4	1.5	1.5	5.4	5.7	6.0	6.9	6.1	6.3	6.3
\$50,000 and over	.3	.3	.3	.3	.4	.4	.4	2.8	3.8	3.9	3.8	4.3	4.8	4.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

1. Includes Alaska and Hawaii.

Table 7.—Distribution of Unattached Individuals and Their Family Personal Income by Family Personal Income Level, 1955-61

Family personal income (before income taxes)	Number of unattached individuals (thousands)							Aggregate family personal income (millions of dollars)						
	1955	1956	1957	1958	1959	1960	1961	1955	1956	1957	1958	1959	1960	1961
Under \$2,000	4,293	4,840	4,068	4,189	3,998	3,943	3,802	4,436	4,136	4,208	4,304	4,123	4,069	4,044
\$2,000-\$2,999	2,109	2,033	2,096	2,171	2,115	2,090	2,113	5,225	5,102	5,222	4,603	5,282	5,219	5,285
\$3,000-\$3,999	1,477	1,817	1,021	1,718	1,744	1,708	1,837	5,112	5,202	5,023	4,603	5,068	5,144	5,351
\$4,000-\$4,999	787	803	980	1,077	1,141	1,222	1,315	3,412	3,538	4,347	4,774	5,075	5,441	5,858
\$5,000-\$5,999	378	463	580	601	647	683	701	2,045	2,463	2,040	3,377	3,531	3,731	4,180
\$6,000-\$6,999	221	298	324	371	420	461	471	1,458	1,773	2,145	2,458	2,899	3,513	3,783
\$7,000-\$9,999	138	101	105	216	237	261	298	1,174	1,306	1,961	1,837	2,022	2,220	2,525
\$10,000-\$14,999	56	81	95	107	124	140	152	779	948	1,121	1,267	1,456	1,651	1,906
\$15,000-\$19,999	19	22	25	28	31	35	31	324	383	438	484	527	571	610
\$20,000-\$24,999	11	11	12	13	13	14	14	242	245	262	228	291	310	324
\$25,000-\$49,999	10	17	20	22	24	26	29	544	591	580	744	502	587	610
\$50,000 and over	5	5	7	8	9	9	9	523	595	673	742	807	873	910
Total	9,680	9,500	9,368	94,504	10,328	10,540	11,194	25,304	26,702	29,311	31,538	33,253	34,564	36,756
Average (mean) family personal income								\$2,663	\$2,816	\$2,937	\$3,043	\$3,123	\$3,217	\$3,315

1. Includes Alaska and Hawaii.

Over the postwar period all income components have increased. The most rapid rate of growth has been in transfer payments which are now 2.2 times their 1947 level. Property incomes have increased almost as markedly, and, as was pointed out in the April 1962 article, their receipt is more widespread among income classes. Wages and salaries at 1.8 times their 1947 level are, of course, the largest single source of income and account for about 67 percent of the total. The near stability of self-employment income is due primarily to the relative decline in the importance of agricultural income in the aggregate of family personal income. The average income from all sources of farm operator families, data for which are separately available, has risen only 40 percent since 1947 compared with a rise of about 70 percent for all consumer units. The rise in income from nonfarm self-employment was on a par with the increase in wages.

Despite the marked rise of transfer payments, they still account for only a small portion of the incomes received by families and unattached individuals, approximately 8 percent in 1962. The changes in their composition that have taken place, however, have had important effects upon the family distribution by income size. An increase in retirement income, for example, encourages the setting up of separate households

which characteristically will be found in the lower portion of the distribution. Pensions—OASI, railroad, military and Federal, State or local civilian—have risen 13 fold since 1947. In 1961, the latest year for which details are available, they accounted for 50 percent of total transfer payments, while unemployment and injury compensation, veterans payments and assistance contributed 21, 13, and 11 percent, respectively.

### Changes in distribution

As noted in the accompanying chart, marked shifts have occurred in the number of units classified at the various income levels since the early postwar year 1947. In that year, about three-fourths of the consumer units were found in income classes below \$5,000 of current income. By 1962, this group accounted for about two-fifths of all consumer units. This decline has resulted in a marked increase in the percentage of units receiving income of between \$5,000 and \$10,000 and above \$10,000. The latter group, in particular, has shown a notable increase from 4½ percent in 1947 to nearly 19 percent in 1962.

Since substantial increases in prices have occurred over the period, it is pertinent to examine differences in the absolute distributions after abstracting from such changes. The accompanying chart also presents summary information on the 1947 distribution measured in 1962 prices. The shifts to the upper income levels are not so marked as in the case of the unadjusted series; nor has the decline of units at the lowest income level been as substantial.

With the exception of recession years, the decline in the number of units at the lowest level—the group under \$2,000—has been continuous. Beginning in about 1956, however, the movement out of this class appears to have slowed down. It should be noted that the number of units classified at the lowest level of income is subject to relatively higher estimating error than is the case for other classes. Detailed and accurate information necessary for making reliable estimates of income for this group are, by and large, lacking and

Table 8.—Distribution of Farm Operator Families and Their Family Personal Income by Family Personal Income Level, 1955-61

Family personal income (before income taxes)	Number of farm operator families (thousands)							Aggregate family personal income (millions of dollars)						
	1955	1956	1957	1958	1959	1960	1961	1955	1956	1957	1958	1959	1960	1961
Under \$2,000	1,800	1,505	1,427	1,210	1,203	1,160	1,016	1,998	1,887	1,793	1,552	1,434	1,482	1,310
\$2,000-\$4,000	972	944	911	830	850	813	703	2,409	2,328	2,258	2,109	2,127	2,020	1,878
\$4,000-\$6,000	772	754	730	690	680	668	585	2,180	2,023	2,002	2,420	2,421	2,323	2,180
\$6,000-\$10,000	546	538	520	513	510	517	490	2,447	2,403	2,300	2,422	2,300	2,314	2,304
\$10,000-\$15,000	283	287	289	468	380	390	304	2,093	2,110	2,127	2,230	2,308	2,138	2,145
\$15,000-\$20,000	336	344	333	457	382	391	317	2,232	2,202	2,374	2,719	2,418	2,613	2,758
\$20,000-\$25,000	240	240	236	310	204	208	148	2,038	2,130	2,180	2,683	2,205	2,545	2,473
\$25,000-\$30,000	153	153	164	200	170	163	224	1,830	1,800	1,857	2,387	2,632	2,397	2,400
\$30,000-\$35,000	42	44	40	60	40	57	721	721	761	787	1,016	837	874	817
\$35,000-\$40,000	18	19	19	24	20	23	133	595	610	627	587	450	471	3,340
\$40,000-\$45,000	21	21	22	27	23	24	104	720	720	714	672	744	838	
\$45,000 and over	4	5	5	0	0	0	371	867	867	831	530	451	510	
Total	5,867	5,369	5,300	4,743	4,441	4,540	4,436	18,522	18,282	18,058	21,463	19,787	20,871	21,552
Average (mean) family personal income								\$3,017	\$4,015	\$4,111	\$4,421	\$4,204	\$4,531	\$4,881
Percent distribution														
Under \$2,000	31.5	30.3	29.4	25.4	27.8	25.5	22.0	10.0	9.5	9.0	7.2	8.3	7.2	6.1
\$2,000-\$4,000	19.1	18.0	16.8	17.0	18.5	17.0	17.0	12.1	11.7	11.3	9.8	10.7	9.8	8.7
\$4,000-\$6,000	15.2	15.2	15.1	14.7	15.0	14.7	14.1	12.4	12.1	12.0	11.3	12.2	11.3	10.4
\$6,000-\$10,000	10.7	10.8	10.9	11.4	11.1	11.4	11.9	12.8	12.0	11.8	11.3	11.9	11.2	10.9
\$10,000-\$15,000	7.6	7.8	8.0	8.5	8.3	8.0	8.8	10.5	10.0	10.7	10.4	10.7	10.4	9.0
\$15,000-\$20,000	6.0	6.0	6.3	8.0	7.8	8.0	9.1	11.2	11.6	11.8	12.7	12.2	12.7	12.6
\$20,000-\$25,000	4.7	4.0	4.3	6.3	5.7	6.0	7.8	10.3	10.7	11.0	12.4	11.4	12.4	13.7
\$25,000-\$30,000	2.0	2.2	2.4	4.7	3.7	4.2	5.0	6.2	6.5	6.9	11.1	10.3	11.2	12.3
\$30,000-\$35,000	0.8	0.9	0.9	1.3	1.1	1.3	3.0	3.6	3.6	3.9	4.7	4.9	4.7	
\$35,000-\$40,000	0.4	0.4	0.4	0.6	0.5	0.5	3.1	2.0	2.1	2.1	2.5	2.3	2.5	
\$40,000-\$45,000	0.4	0.4	0.4	0.6	0.5	0.5	0.8	3.5	3.4	3.6	4.1	3.8	4.1	
\$45,000 and over	0.1	0.1	0.1	0.1	0.1	0.1	1.0	1.0	1.0	2.2	2.5	2.3	2.5	
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

1. Includes Alaska and Hawaii.

Table 9.—Distribution of Nonfarm Families and Their Family Personal Income by Family Personal Income Level, 1955-61

Family personal income (before income taxes)	Number of nonfarm families (thousands)							Aggregate family personal income (millions of dollars)						
	1955	1956	1957	1958	1959	1960	1961	1955	1956	1957	1958	1959	1960	1961
Under \$2,000	2,317	2,150	2,110	2,295	2,200	2,210	2,215	2,804	2,812	2,848	2,729	2,620	2,621	2,618
\$2,000-\$4,000	2,837	2,801	2,808	2,830	2,830	2,876	2,871	7,227	7,227	7,227	7,227	7,227	7,227	7,227
\$4,000-\$6,000	5,089	4,826	4,833	4,813	4,711	4,604	4,611	18,023	18,006	18,006	18,006	18,006	18,006	18,006
\$6,000-\$10,000	6,016	6,002	6,009	6,101	6,010	6,010	6,010	27,163	27,163	27,163	27,163	27,163	27,163	27,163
\$10,000-\$15,000	5,368	5,280	5,271	5,210	5,010	4,924	4,908	30,507	30,507	30,507	30,507	30,507	30,507	30,507
\$15,000-\$20,000	4,368	4,281	4,275	4,210	4,010	3,924	3,908	27,000	27,000	27,000	27,000	27,000	27,000	27,000
\$20,000-\$25,000	4,826	4,738	4,730	4,669	4,469	4,383	4,367	41,833	41,833	41,833	41,833	41,833	41,833	41,833
\$25,000-\$30,000	2,830	2,742	2,734	2,673	2,473	2,387	2,371	34,315	34,315	34,315	34,315	34,315	34,315	34,315
\$30,000-\$35,000	823	810	802	794	776	768	760	14,084	14,084	14,084	14,084	14,084	14,084	14,084
\$35,000-\$40,000	349	340	332	324	306	298	290	7,740	7,740	7,740	7,740	7,740	7,740	7,740
\$40,000-\$45,000	415	407	400	392	374	366	358	13,802	13,802	13,802	13,802	13,802	13,802	13,802
\$45,000 and over	105	104	103	102	100	99	98	9,318	9,318	9,318	9,318	9,318	9,318	9,318
Total	37,543	36,381	36,314	36,371	35,330	34,830	34,764	139,012	139,012	139,012	139,012	139,012	139,012	139,012
Average (mean) family personal income								\$3,636	\$3,636	\$3,636	\$3,636	\$3,636	\$3,636	\$3,636
Percent distribution														
Under \$2,000	6.3	6.3	6.3	6.3	6.0	6.4	6.3	1.2	1.0	0.9	0.9	0.8	0.8	0.8
\$2,000-\$4,000	7.0	6.3	6.1	6.3	6.0	6.4	6.4	2.0	2.2	2.1	2.2	1.9	1.8	1.7
\$4,000-\$6,000	13.6	11.8	10.7	10.7	9.2	8.0	8.4	7.2	6.0	6.1	6.1	4.2	3.8	3.7
\$6,000-\$10,000	16.0	16.6	13.7	13.2	11.0	10.8	10.6	10.0	10.0	8.4	8.1	6.7	6.1	5.9
\$10,000-\$15,000	14.8	14.1	13.6	13.3	12.9	12.1	11.9	12.2	10.0	10.1	9.0	8.0	8.3	8.1
\$15,000-\$20,000	11.9	11.2	10.7	10.7	10.0	9.4	9.4	17.1	16.3	16.3	16.7	14.0	14.0	14.0
\$20,000-\$25,000	12.8	12.9	12.3	12.1	11.0	10.4	10.4	10.0	10.0	10.0	10.0	10.0	10.0	10.0
\$25,000-\$30,000	7.6	7.3	7.0	6.9	6.4	6.0	5.9	13.8	13.8	13.8	13.8	13.8	13.8	13.8
\$30,000-\$35,000	2.2	2.2	2.1	2.1	2.0	1.9	1.9	5.7	5.7	5.7	5.7	5.7	5.7	5.7
\$35,000-\$40,000	0.9	0.9	0.9	0.9	0.9	0.9	0.9	3.1	3.1	3.1	3.1	3.1	3.1	3.1
\$40,000-\$45,000	1.1	1.2	1.3	1.3	1.3	1.3	1.3	3.6	3.6	3.6	3.6	3.6	3.6	3.6
\$45,000 and over	0.3	0.3	0.3	0.3	0.3	0.3	0.3	2.7	2.7	2.7	2.7	2.7	2.7	2.7
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

1. Includes Alaska and Hawaii.

Table 10.—Number of Consumer Units and Persons, and Aggregate and Average Family Personal Income, 1955-61

Year	Families and unattached individuals						Families						Unattached individuals		
	Number of consumer units (millions)	Number of persons		Family personal income			Number of families (millions)	Number of persons		Family personal income			Number of unattached individuals (millions)	Family personal income	
		Total (millions)	Average number per consumer unit	Amount (billions of dollars)	Average income			Total (millions)	Average number per family	Amount (billions of dollars)	Per family (dollars)	Per capita (dollars)		Amount (billions of dollars)	Per capita (dollars)
					Per consumer unit (dollars)	Per capita (dollars)									
1950.....	52.2	102.7	3.12	294.2	5,640	1,808	43.7	132.3	3.00	205.0	4,303	1,765	8.6	25.3	2,903
1951.....	52.8	103.8	3.14	317.4	6,007	1,915	43.4	136.8	3.00	209.7	4,700	1,800	8.5	25.8	3,016
1952.....	53.6	109.0	3.15	334.0	6,238	1,990	43.7	139.0	3.04	206.3	4,692	1,820	10.0	26.3	3,037
1953.....	54.6	112.1	3.15	343.3	6,284	1,995	44.1	141.6	3.06	211.7	4,793	1,830	10.5	27.5	3,063
1954.....	55.3	117.1	3.17	365.8	6,615	2,000	44.8	144.5	3.07	232.0	5,195	2,023	10.5	32.9	3,123
1955.....	56.1	119.8	3.19	381.9	6,812	2,138	45.4	148.1	3.21	247.5	5,460	2,067	10.7	34.4	3,217
1956.....	57.3	131.0	3.16	390.2	6,810	2,159	46.2	150.0	3.08	250.4	5,422	2,115	11.1	36.8	3,315

1. Includes Alaska and Hawaii.

Table 11.—Distribution of Family Personal Income and Federal Individual Income Tax Liability Among Quintiles and Top 5 Percent of Consumer Units, 1955-61<sup>1</sup>

Quintile	Percent distribution of—			Mean amount of—			Tax rate (percent)	Lower income limit of quintile <sup>2</sup>	
	Family personal income	Tax liability	After-tax income	Family personal income (dollars)	Tax liability (dollars)	After-tax income (dollars)		Before-tax basis (dollars)	After-tax basis (dollars)
1955: Lowest	4.8	1.4	5.2	1,355	39	1,316	2.8	—	—
2	11.3	4.0	11.0	3,900	105	3,795	2.7	2,350	2,350
3	16.4	10.0	17.0	1,034	293	741	2.8	2,720	2,720
4	22.3	18.0	22.7	4,290	570	3,720	13.3	5,370	4,080
Highest	45.2	62.8	43.2	13,722	1,728	12,000	12.6	7,410	6,750
Total	100.0	100.0	100.0	5,640	839	5,000	8.8	—	—
Top 5 percent	20.3	30.2	18.2	22,803	4,317	18,486	19.0	13,070	11,780
1956: Lowest	4.9	1.5	5.2	1,437	40	1,397	2.8	—	—
2	11.3	4.0	11.0	3,403	100	3,303	2.9	2,540	2,540
3	16.3	11.0	16.0	1,036	293	743	2.8	2,720	2,720
4	22.3	18.0	22.0	4,291	571	3,720	13.3	5,370	4,080
Highest	45.2	62.8	43.4	13,604	1,899	11,705	13.8	7,000	6,200
Total	100.0	100.0	100.0	5,607	843	5,463	10.0	—	—
Top 5 percent	20.2	30.5	18.1	24,290	4,653	19,637	19.2	13,000	12,000
1957: Lowest	4.7	1.5	5.0	1,409	48	1,413	3.3	—	—
2	11.1	4.0	11.7	3,471	100	3,371	2.9	2,580	2,580
3	16.3	11.0	16.0	1,037	294	743	2.8	2,720	2,720
4	22.4	18.0	22.8	4,083	586	3,497	13.8	5,370	4,080
Highest	45.5	62.1	43.0	13,185	1,954	11,231	13.8	6,330	5,250
Total	100.0	100.0	100.0	5,235	882	5,618	10.1	—	—
Top 5 percent	20.2	30.3	18.1	25,139	4,922	20,217	19.2	14,000	12,000
1958: Lowest	4.7	1.5	5.0	1,472	45	1,427	3.0	—	—
2	11.0	4.0	11.0	3,486	100	3,386	2.9	2,610	2,610
3	16.3	11.0	16.0	1,033	294	739	2.8	2,720	2,720
4	22.5	18.0	22.0	4,083	587	3,496	13.8	5,370	4,080
Highest	45.5	61.9	43.7	10,292	1,906	8,386	13.3	6,430	5,250
Total	100.0	100.0	100.0	5,284	832	5,616	10.8	—	—
Top 5 percent	20.0	30.8	18.1	25,124	4,928	20,196	18.4	14,000	12,000
1959: Lowest	4.6	1.5	4.9	1,413	51	1,442	3.4	—	—
2	10.9	4.0	11.6	3,615	107	3,508	2.9	2,690	2,690
3	16.3	11.0	16.0	1,030	297	733	2.8	2,720	2,720
4	22.6	18.0	23.0	4,074	582	3,492	13.8	5,370	4,080
Highest	45.6	61.0	43.8	15,070	2,082	12,988	13.8	6,010	5,130
Total	100.0	100.0	100.0	6,616	838	5,339	10.4	—	—
Top 5 percent	20.0	30.2	18.0	26,408	5,020	21,388	19.0	15,000	13,720
1960: Lowest	4.6	1.6	4.9	1,500	54	1,446	3.6	—	—
2	10.9	4.0	11.6	3,725	115	3,610	2.8	2,770	2,770
3	16.4	11.0	16.0	1,034	297	737	2.8	2,720	2,720
4	22.6	18.0	23.0	4,074	582	3,492	13.8	5,370	4,080
Highest	45.4	60.8	43.7	15,479	2,087	13,392	13.8	6,010	5,130
Total	100.0	100.0	100.0	6,812	836	6,320	10.1	—	—
Top 5 percent	19.6	30.1	17.7	26,895	4,987	21,728	18.0	16,220	14,190
1961: Lowest	4.6	1.6	4.9	1,503	57	1,540	3.8	—	—
2	11.0	4.0	11.6	3,803	123	3,680	3.3	2,840	2,700
3	16.4	11.0	16.0	1,034	297	737	2.8	2,720	2,720
4	22.6	18.0	23.0	4,074	582	3,492	13.8	5,370	4,080
Highest	45.4	60.8	43.8	15,678	2,147	13,531	13.7	6,010	5,130
Total	100.0	100.0	100.0	6,916	783	6,211	10.2	—	—
Top 5 percent	19.6	30.2	17.7	27,050	5,105	21,945	18.0	16,430	14,380

1. Consumer units are ranked by size of family personal income. In addition to April 1966 issue of SURVEY OF CURRENT BUSINESS, see table 3 of "Income Distribution in the United States, by Size, 1944-60."

2. Rounded to nearest \$10.

3. Includes Alaska and Hawaii.

data becoming available currently have not yet been incorporated in the present estimates.

### Concentration in middle income levels

In 1947, the heaviest concentration of families and unattached individuals was found in the \$3,000-\$4,000 income class. With the increase in average family personal income the modal income has risen. This upward movement was temporarily checked by the 1954 recession. Since 1956, the mode has been in the \$4,000-\$5,000 class.

As the distribution has moved upward, it has also flattened out. Instead of a high concentration in one or two income classes, families are now more evenly spread over the middle income groups. In 1947, fully 50 percent of all units were accounted for in the modal class of \$3,000-\$4,000 and in the two adjacent classes. In 1962, the same percentage of units was spread over 5 classes centered on the modal class. It is interesting to note that the percentage of units in each of these classes is quite uniform. None of them contained more than 10.6 percent or less than 8.5 percent of the total.

The tendency of the distribution to contain many classes of near uniform concentration is not to be confused with changes in the underlying relative distribution of income. In order to examine the latter, it is convenient to divide the units, arrayed in order of size, into 5 equal divisions called quintiles. Table 11 shows such an arrangement and provides the percentage of total income found in each quintile as

Table 12.—Distribution of Federal Individual Income Tax Liability of Consumer Units, Average Tax, Average Income, and Tax Rate, by Family Personal Income Level, 1955-61

Family personal income (before income taxes)	1955					1960					1957				
	Federal individual income tax liability			Average family personal income (dollars)	Tax rate (per- cent)	Federal individual income tax liability			Average family personal income (dollars)	Tax rate (per- cent)	Federal individual income tax liability			Average family personal income (dollars)	Tax rate (per- cent)
	Amount (millions of dollars)	Percent distri- bution	Average (dollars)			Amount (millions of dollars)	Percent distri- bution	Average (dollars)			Amount (millions of dollars)	Percent distri- bution	Average (dollars)		
Under \$2,000.....	204	0.7	26	1,132	2.3	100	0.6	25	1,120	2.2	197	0.6	26	1,123	2.3
\$2,000-\$2,999.....	684	2.4	115	2,512	4.6	325	2.0	121	2,511	4.8	630	1.9	171	2,509	4.8
\$3,000-\$3,999.....	1,387	4.8	189	3,516	5.4	1,323	4.2	195	3,515	5.6	1,377	3.8	197	3,597	5.6
\$4,000-\$4,999.....	2,047	7.1	270	4,500	6.2	2,093	6.6	293	4,502	6.3	1,835	5.7	284	4,400	6.3
\$5,000-\$5,999.....	2,580	9.0	400	5,482	7.5	2,572	8.1	412	5,491	7.9	2,533	7.5	408	5,494	7.4
\$6,000-\$6,999.....	2,953	12.9	575	6,468	8.6	4,147	13.0	575	6,467	8.6	4,271	12.0	590	6,483	8.3
\$7,000-\$7,999.....	4,092	14.1	770	8,347	9.1	4,770	15.0	781	8,363	9.1	4,191	10.4	700	8,278	8.0
\$10,000-\$14,999.....	3,727	12.6	1,215	12,031	10.1	4,000	14.4	1,212	12,037	10.1	3,122	15.2	1,188	12,022	9.0
\$15,000-\$19,999.....	1,944	6.8	3,300	17,120	12.8	3,443	7.7	2,197	17,181	12.8	2,772	8.2	2,150	17,121	12.6
\$20,000-\$24,999.....	1,392	4.9	3,400	23,179	15.8	1,509	4.7	3,404	22,255	15.7	1,401	5.0	3,417	22,243	14.4
\$25,000-\$49,999.....	3,100	11.0	6,087	33,824	20.0	3,887	13.2	7,004	33,697	21.8	3,837	11.4	6,850	33,823	20.1
\$50,000 and over.....	3,008	12.6	31,208	88,893	35.3	4,005	12.5	29,771	85,810	24.7	4,204	12.7	29,143	85,758	34.0
Total.....	26,700	100.0	550	5,416	7.8	31,940	100.0	684	6,007	10.0	33,800	100.0	530	6,218	10.0

Family personal income (before income taxes)	1958					1960					1961				
	Federal individual income tax liability			Average family personal income (dollars)	Tax rate (per- cent)	Federal individual income tax liability			Average family personal income (dollars)	Tax rate (per- cent)	Federal individual income tax liability			Average family personal income (dollars)	Tax rate (per- cent)
	Amount (millions of dollars)	Percent distri- bution	Average (dollars)			Amount (millions of dollars)	Percent distri- bution	Average (dollars)			Amount (millions of dollars)	Percent distri- bution	Average (dollars)		
Under \$2,000.....	190	0.6	23	1,118	2.1	101	0.6	26	1,117	2.3	187	0.6	26	1,117	2.3
\$2,000-\$2,999.....	600	1.8	110	2,512	4.4	320	1.7	110	2,500	4.7	612	1.9	113	2,512	4.7
\$3,000-\$3,999.....	1,229	3.7	185	3,497	5.2	1,200	5.3	194	3,506	5.6	1,132	3.0	191	3,496	5.6
\$4,000-\$4,999.....	1,807	5.6	270	4,492	6.2	1,818	6.0	288	4,497	6.4	1,794	4.0	286	4,498	6.4
\$5,000-\$5,999.....	2,500	7.6	401	5,492	7.3	2,491	8.6	411	5,493	7.6	2,470	6.4	405	5,498	7.4
\$6,000-\$6,999.....	4,184	12.5	551	6,468	8.2	4,325	13.8	585	6,714	8.4	4,450	11.0	557	6,720	8.3
\$7,000-\$7,999.....	6,142	15.3	747	8,348	8.7	5,800	15.7	788	8,368	8.9	5,994	15.0	764	8,520	8.7
\$10,000-\$14,999.....	3,409	10.1	1,160	11,405	9.7	4,100	10.8	1,182	11,033	9.8	3,788	17.0	1,141	11,452	9.6
\$15,000-\$19,999.....	2,951	8.3	2,080	17,144	12.2	3,043	9.8	2,004	17,048	12.3	3,978	10.3	2,016	17,073	12.0
\$20,000-\$24,999.....	1,718	5.1	3,313	23,208	14.0	1,000	5.2	3,329	22,188	15.0	2,107	5.5	3,330	22,180	14.6
\$25,000-\$49,999.....	3,801	11.3	6,580	33,235	10.8	4,313	11.3	6,510	33,061	20.0	4,442	11.6	6,401	32,838	10.4
\$50,000 and over.....	4,070	12.1	27,108	84,800	23.0	4,760	12.7	26,513	83,800	31.0	4,547	11.8	26,449	85,270	31.0
Total.....	33,100	100.0	615	6,284	11.8	37,370	100.0	674	6,515	10.3	39,470	100.0	689	6,512	10.1

Family personal income (before income taxes)	1961 <sup>1</sup>				
	Federal individual income tax liability			Average family personal income (dollars)	Tax rate (percent)
	Amount (millions of dollars)	Percent distri- bution	Average (dollars)		
Under \$2,000.....	184	0.5	20	1,115	2.3
\$2,000-\$2,999.....	606	1.5	118	2,517	4.7
\$3,000-\$3,999.....	1,155	2.9	194	3,505	5.5
\$4,000-\$4,999.....	1,784	4.4	280	4,490	6.4
\$5,000-\$5,999.....	2,499	6.2	407	5,495	7.4
\$6,000-\$6,999.....	4,539	11.4	551	6,720	8.4
\$7,000-\$7,999.....	5,705	15.0	745	8,568	8.7
\$10,000-\$14,999.....	7,227	17.9	1,131	11,036	9.6
\$15,000-\$19,999.....					
\$20,000-\$24,999.....	16,031	20.9	4,403	24,825	17.0
\$25,000-\$49,999.....					
\$50,000 and over.....					
Total.....	46,416	100.0	745	6,916	10.1

<sup>1</sup> Includes Alaska and Hawaii.

well as the upper and lower limits of each segment.

As can be seen by examining the percent of income received by each of

the quintiles, the relative distribution of income has remained essentially constant over the period covered by the table. This approximate stability of

the shares of each of the quintiles is characteristic of the relative distribution of income throughout the postwar period.

### Impact of the Federal income tax

As can be seen from a comparison of the proportion of income in each quintile on a before and after tax basis, the progressive tax structure has modified the relative distribution of income. The share of total incomes received by the lowest quintile, for example, increased from 4.6 percent on a before-tax basis to 5.0 percent after payment of the Federal income tax. For the highest 20 percent of the units, the share changed from 45.4 percent to 43.6 percent. If the changes in the tax schedule which are currently proposed

Table 13.—Distribution of Consumer Units and of Family Personal Income After Federal Individual Income Tax Liability, by Level of After-Tax Income, 1955-61

Family personal income after Federal individual income tax liability	1955					1960					1967				
	Number of families and unattached individuals (thousands)	After-tax family personal income		Percent distribution		Number of families and unattached individuals (thousands)	After-tax family personal income		Percent distribution		Number of families and unattached individuals (thousands)	After-tax family personal income		Percent distribution	
		Aggregate (millions of dollars)	Average (dollars)	Number	After tax income		Aggregate (millions of dollars)	Average (dollars)	Number	After tax income		Aggregate (millions of dollars)	Average (dollars)	Number	After tax income
Under \$2,000	8,758	10,119	1,155	16.8	2.8	8,312	9,459	1,126	15.5	3.3	8,131	9,334	1,148	15.2	3.1
\$2,000-\$3,000	9,510	26,401	2,769	12.5	0.2	9,034	25,076	2,776	11.2	0.3	9,069	24,099	2,658	11.1	0.0
\$3,000-\$4,000	7,892	28,039	3,552	15.3	10.5	7,801	30,098	3,846	14.4	9.3	7,185	28,207	3,928	13.4	8.1
\$4,000-\$5,000	5,197	20,820	4,006	16.7	13.0	5,132	20,037	3,903	15.4	12.8	7,548	34,431	4,576	14.3	11.4
\$5,000-\$6,000	6,091	38,065	6,249	12.8	13.8	6,798	37,205	5,486	12.0	13.1	6,895	37,731	5,494	12.0	12.4
\$6,000-\$7,000	6,850	40,275	5,895	11.8	15.2	6,375	42,033	6,603	12.1	14.9	6,821	45,583	6,683	12.7	15.2
\$7,000-\$8,000	4,032	34,303	8,506	7.7	12.9	4,932	41,000	8,330	9.3	14.7	6,542	47,206	7,217	10.3	15.7
\$8,000-\$10,000	2,600	30,836	11,860	5.0	11.0	3,296	38,170	11,611	6.1	13.4	3,075	43,280	14,074	6.0	14.0
\$10,000-\$15,000	720	12,437	17,274	1.4	4.7	883	16,030	18,153	1.7	5.3	1,022	17,802	17,401	1.9	5.8
\$15,000 and over	618	19,638	31,775	1.3	7.4	711	23,573	33,141	1.3	7.9	797	26,134	32,789	1.0	8.3
Total	52,170	265,539	5,090	100.0	100.0	52,849	286,848	5,430	100.0	100.0	53,659	300,847	5,608	100.0	100.0

Family personal income after Federal individual income tax liability	1958					1959					1960				
	Number of families and unattached individuals (thousands)	After-tax family personal income		Percent distribution		Number of families and unattached individuals (thousands)	After-tax family personal income		Percent distribution		Number of families and unattached individuals (thousands)	After-tax family personal income		Percent distribution	
		Aggregate (millions of dollars)	Average (dollars)	Number	After tax income		Aggregate (millions of dollars)	Average (dollars)	Number	After tax income		Aggregate (millions of dollars)	Average (dollars)	Number	After tax income
Under \$2,000	8,082	9,104	1,126	14.8	3.0	7,094	8,037	1,133	14.4	2.9	7,727	8,788	1,137	13.8	2.9
\$2,000-\$3,000	8,102	18,379	2,269	11.2	4.0	8,034	18,713	2,329	10.9	4.5	8,714	19,468	2,234	10.2	4.2
\$3,000-\$4,000	7,392	25,439	3,441	13.7	6.4	7,822	26,722	3,416	12.9	7.2	8,422	28,228	3,351	11.9	6.8
\$4,000-\$5,000	7,519	33,796	4,494	13.3	10.8	7,000	31,591	4,513	12.8	9.7	8,004	31,082	3,886	12.3	10.0
\$5,000-\$6,000	6,830	37,424	5,480	12.1	12.1	6,730	36,156	5,368	12.2	11.2	6,727	36,044	5,360	12.0	10.8
\$6,000-\$7,000	6,091	44,717	7,340	12.9	15.1	7,040	50,513	7,174	13.0	16.4	7,818	62,383	7,980	14.0	13.2
\$7,000-\$8,000	5,854	46,533	7,950	12.7	18.1	6,041	50,079	8,290	12.0	17.2	6,070	52,836	8,703	12.4	17.4
\$8,000-\$10,000	3,011	16,413	5,451	7.2	15.0	4,047	33,018	8,183	8.2	16.4	5,120	61,148	11,922	9.1	17.4
\$10,000-\$15,000	1,000	18,620	18,620	2.0	8.9	1,260	22,001	17,461	2.3	8.0	1,440	24,496	16,983	2.6	7.1
\$15,000 and over	426	26,978	63,303	1.3	8.4	420	29,383	70,000	1.0	9.0	469	31,174	66,220	1.8	8.1
Total	54,020	283,587	5,250	100.0	100.0	55,040	328,425	5,969	100.0	100.0	56,060	345,437	6,162	100.0	100.0

Family personal income after Federal individual income tax liability	1961 <sup>1</sup>				
	Number of families and unattached individuals (thousands)	After-tax family personal income		Percent distribution	
		Aggregate (millions of dollars)	Average (dollars)	Number	After tax income
Under \$2,000	7,095	8,042	1,134	13.3	2.4
\$2,000-\$3,000	8,689	14,300	1,634	8.0	4.0
\$3,000-\$4,000	8,400	23,400	2,785	11.7	6.0
\$4,000-\$5,000	7,062	31,738	4,494	12.3	8.0
\$5,000-\$6,000	6,686	37,877	5,664	12.0	10.0
\$6,000-\$7,000	6,063	44,130	7,278	12.1	16.2
\$7,000-\$8,000	7,336	42,001	5,725	13.8	17.7
\$8,000-\$10,000	3,371	14,022	4,158	9.4	18.0
\$10,000-\$15,000	2,691	10,802	4,016	4.6	20.0
\$15,000 and over	57,299	255,319	4,456	100.0	100.0

1. Includes Alaska and Hawaii.

are adopted, some change in the impact of the tax structure on the relative distribution of income can be expected but cannot be appraised at this time.

It is important to note that the effects of the progressivity of the tax structure would be even more apparent if additional detail were available for the extremely high before-tax incomes. As can be seen from the table, the upper 5 percent of the distribution begins at \$16,430, an income point at which the very high tax rates are not yet effective.